

SENATE BILL 3127

By Stewart

AN ACT to amend Tennessee Code Annotated, Title 60,
Chapter 1 and Title 69, Chapter 3, Part 1, relative
to oil and gas.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 60-1-101, is amended by adding the following language as new subdivisions and by appropriately redesignating subsequent subdivisions:

() "Fracking" means the process of directing pressurized substances, which may contain foam, gases, water, hydrocarbons, proppant, and any added chemicals, into a well whose casing is perforated, allowing these substances to leave the well bore;

() "Trade secret" means information, including a formula, pattern, compilation, program device, method, technique, or process, that:

(A) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means, by other persons who can obtain economic value from its disclosure or use; and

(B) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy;

SECTION 2. Tennessee Code Annotated, Title 60, Chapter 1, Part 1, is amended by adding the following language as a new section:

60-1-1__.

(a) An approved application or form approved pursuant to the rules and regulations of the board is required prior to the initiation of any well stimulation activity. Additional stimulation fluid information shall be provided to the supervisor and board, if necessary. Prior to the well stimulation, the supervisor

may require the owner or operator to perform a suitable mechanical integrity test of the casing, the casing-tubing annulus or other mechanical integrity test methods using procedures set forth in the rules and regulations, of the board.

(b) Where multiple stimulation activities will be undertaken for several wells proposed to be drilled to the same zone or zones within an area of geologic similarity, approval may be sought from the supervisor to accept a comprehensive master drilling, completion or recompletion plan containing the information required. The approved master drilling, completion or recompletion plan shall be referenced on each individual well's application.

(c) The owner or operator shall provide geological names, geological description and depth of the formation into which well stimulation fluids are to be injected.

(d)

(1) The owner or operator shall provide detailed information to the supervisor as to the base stimulation fluid source and quantity.

(2) The owner or operator or service company shall provide to the supervisor, for each stage of the well stimulation program, the chemical additives, compounds and concentrations or rates proposed to be mixed and injected, including:

(A) The stimulation fluid identified by additive type including, but not limited to:

- (i) Acid;
- (ii) Biocide;
- (iii) Breaker;
- (iv) Brine;
- (v) Corrosion inhibitor;
- (vi) Crosslinker;
- (vii) Demulsifier;

- (viii) Friction reducer;
- (ix) Gel;
- (x) Iron control;
- (xi) Oxygen scavenger;
- (xii) pH adjusting agent;
- (xiii) Proppant;
- (xiv) Scale inhibitor; and
- (xv) Surfactant.

(B) The chemical compound name and Chemical Abstracts Service (CAS) number shall be identified as the additive biocide is glutaraldehyde, the additive breaker is aluminum persulfate, the proppant is silica or quartz sand; and so on for each additive used; and

(C) The proposed rate or concentration for each additive shall be provided as gel as pounds per thousand gallons, biocide at gallons per thousand gallons, proppant at pounds per gallon, expressed as percent by weight, percent by volume, parts per million, or parts per billion.

(3) The owner or operator or service company may also provide a copy of the contractor's proposed well stimulation program design.

(4) The supervisor may request additional information, prior to the approval of the application for permit or of another form of approval document, as specified in the rules and regulations, which is required prior to the initiation of any well stimulation activity.

(5) The supervisor may request from the owner, operator or service company, the formulary disclosure for the chemical compounds used in the well stimulation.

(e) The owner or operator shall provide a detailed description of the proposed well stimulation design, which shall include:

- (1) The anticipated surface treating pressure range;
- (2) The maximum injection treating pressure; and
- (3) The estimated or calculated fracture length and fracture height.

(f) Only upon written request to the supervisor associated with an application for permit to drill that justifies and documents the nature and extent of the proprietary information, confidentiality protection shall be provided for stimulation fluid information claimed to be a trade secret. If any claimed trade secret is contained in records of the department and disclosure is sought under the public records laws, the disclosure or non-disclosure of such claimed trade secrets shall be determined by a proceeding under § 10-7-505.

(g) The injection of volatile organic compounds, such as benzene, toluene, ethylbenzene and xylene, also known as BTEX compounds, or any petroleum distillates, into groundwater is prohibited.

(h) The owner or operator or service company shall provide the supervisor the following post well stimulation detail and any additional information the rules and regulations requires, including but not limited to:

- (1) The actual total well stimulation treatment volume pumped; and
- (2) The details as to each fluid stage pumped, including actual volume by fluid stage, proppant rate or concentration, actual chemical additive name, type, concentration or rate, and amounts.

(i) The rules and regulations shall provide for a means of immediate access to information on all well stimulation fluids by healthcare professionals or health care institutions, spill or release response entities and personnel who request such information in response to an accidental exposure or spill emergency.

SECTION 3. The commissioner is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.